

Approved April 12, 2005

**MINUTES
EXECUTIVE COMMITTEE MEETING
ARKANSAS WORKFORCE INVESTMENT BOARD
March 8, 2005**

Chairman Steve Lux called to order a meeting of the Arkansas Workforce Investment Board – Executive Committee, at 9:05 a.m., on Tuesday, March 8, 2005. Members who were able to participate included: Mr. Tom Anderson, Dr. Steve Franks, Mr. Alan Hughes, Ms. Catherine Janosky, and Mr. Jim Smith. Members who were not able to participate included: Rep. Gilbert Baker and Mr. Larry Featherstone. Mr. Bobby Blount-AWIB member, representatives from the public and members of the AWIB staff were present, as well as, Ms. Kajuana Donahue from the Department of Labor.

Chairman Lux began by welcoming members to the meeting.

Report of Executive Director: Chairman Lux asked Ms. Winston for the Executive Director's report. Ms. Winston began by stating that the exit interview with the Office of Inspector General (OIG) had taken place and that she will answer questions regarding that meeting at the end of her report.

Ms. Winston then began to discuss several bills that have been filed at the state level. First she discussed the changes made to Senate Bill 380 which incorporates Senate Bills 381 and 382 into one bill, moving the Transitional Employment Board and its staff to the Employment Security Department. Chairman Lux asked what the effective date would be if the bill passes and Ms. Winston stated that she thought it had an emergency clause in the bill making it effective immediately, she further stated that there is a working group set-up for the transition. Ms. Winston stated that she would keep the board informed on the progress of the bill.

Next, she discussed Senate Bill 1067, by Senator Gilbert Baker, which changes the requirement for the Executive Committee from meeting "every month," to meeting "at least every other month." She then discussed that if the bill passes we will need to make the change in the AWIB by-laws.

Next, she discussed Senate Bill 2040, which was filed by Representative Denny Sumpter. This bill is an act to transfer the Transitional Employment Board to the Arkansas Workforce Investment Board. Ms. Winston said that Rep. Sumpter had expressed concern with one-stops in his area, from an employer perspective. Rep. Sumpter's bill only had a title when filed. He said that he will work with the AWIB Staff before making any amendments. Next, Ms. Winston discussed House Bill 2827, (which was also filed by Rep. Sumpter,) which moves every bill dealing with state office/board re-organization to an interim study committee.

Next, Ms. Winston gave a short synopsis of her recent trip to Washington DC to attend meetings of the Council of State Governments (CSG), the National Association of Workforce Agencies (NASWA), the National Association of Workforce Boards (NAWB),

the National Association of Workforce Board Chairs (NAWB-Chairs) and the National Governors Association (NGA).

Next, Ms. Winston explained that she received the draft report from the OIG on March 3, and that she is not authorized to release the draft without getting an attorney's opinion. She explained that the OIG ruled that the \$859,944, granted to Nestle Corporation in Jonesboro, Arkansas, (through the Incumbent Worker Training Program (IWTP)) was for economic development activities and therefore, a violation of Federal regulations. The OIG also cited several things in the IWTP regulations that need to be changed. The AWIB must respond to the draft report by March 25, 2005, then the OIG will issue a final report, which will go to the Department of Labor – Employment & Training Administration (DOL-ETA.) At that time, the AWIB has the right to appeal to the DOL-ETA, an administrative law judge and the Secretary of Labor. Ms. Catherine Janosky asked what the AWIB would appeal? Ms. Winston answered that we would have to get with an attorney to decide whether to appeal. Ms. Janosky stated that she did not believe we should appeal because we could not win. She further stated that she would like to see the IWTP program resume. Ms. Winston stated that the AWIB has the option not to appeal and to negotiate the fine. She further stated that there were several ways to repay the fine: one option would be repaying the amount with State funds, because WIA law states that repayment cannot come from Federal funds that have already been received, however in some cases it is allowed. Another option would be to negotiate the amount to be repaid and to deduct that amount from future allocations. She explained that at this time DOL has not given any direction on where the funds need to come from for repayment. She then asked Ms. Kajuana Donahue from the DOL Dallas office if she would like to make any comments as to how the funds could be repaid. Ms. Donahue stated that there were several scenarios so anything that she said would be speculation. She said that the scenarios Ms. Winston stated were all possible, that it depends on who's looking at the case, previous cases that have been similar and how they were handled. Further discussion among the committee members concluded with a **motion made by Ms. Catherine Janosky, to set-aside \$859,000 of the IWTP budget until DOL communicates how to repay the funds and to resume the IWTP Program after making the changes to the regulations cited by the OIG. The motion was seconded by Alan Hughes and carried unanimously.**

Next Ms. Winston discussed the Governors Five Priorities for the AWIB and suggested that the Board put together a committee for each priority with a staff person as a liaison to focus specifically on each issue. **A motion was made by Mr. Jim Smith and was seconded by Mr. Tom Anderson.** Chairman Lux asked if there were any questions or comments and Dr. Steve Franks asked that the motion include the requirement that each committee chair report to the Executive Committee. Chairman Lux then asked for a vote and **the motion passed unanimously.**

Action Item 1 – Minutes of the January 25, 2005 Regular Quarterly Meeting: Chairman Lux directed the attention of the members to the minutes of the January 25, 2005 Regular Quarterly meeting.

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The minutes were approved on a motion made by Dr. Steve Franks, seconded by Mr. Tom Anderson and carried unanimously. (Dr. Steve Franks stated that a correction to the minutes needed to be made to reflect the correct year, 2005, instead of 2004, however the mistake was in the March 8, agenda packet not in the January 25, 2005 minutes.)

Action Item 2 – Minutes of the February 8, 2005 Executive Committee Teleconference Meeting: Chairman Lux directed the attention of the members to the minutes of the February 8, 2005 Executive Committee meeting.

The minutes were approved on a motion made by Mr. Tom Anderson, seconded by Dr. Steve Franks and carried unanimously.

Information Item 3 – House Bill 2040: Chairman Lux stated that discussion of this information item had already taken place during the Executive Directors report.

Action Item #4 – Distribution of Funds for Eligible Youth: Chairman Lux asked the committee to look at the handout received at today's meeting. Chairman Lux stated that the Eligible Youth line item was approved in April 2004 and the asked Ms. JeanAnn Reed of the AWIB staff to discuss the proposals for distribution of the funds. Ms. Reed discussed the proposed distribution of funds at the 25%, 27%, 28%, and 30% levels - explaining that the four are based on the percentage of at risk youth in the local workforce investment areas. She further explained that the staff recommendation is that the committee fund at the 30% level, which would provide funding to four of the local areas with the highest concentration of at risk youth. After discussion **a motion was made by Dr. Steve Franks to fund at the recommended 30% level, seconded by Ms. Catherine Janosky, and carried unanimously.**

Announcements: Chairman Lux then announced that next month's meeting would be a Regular Quarterly meeting, to be held Tuesday, April 12, 2005.

Adjourn: With no other announcements or questions, Chairman Lux asked for a motion to adjourn. **A motion was made by Dr. Steve Franks, seconded by Ms. Catherine Janosky, and carried unanimously.**



Steve Lux, Chairman



Sandra Winston, Executive Director

*Minutes recorded by Kim Kight
Workforce Investment Board Staff*